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4 **BEFORE THE PUBLIC DISCLOSURE COMMISSION**
5 **OF THE STATE OF WASHINGTON**

6 In the Matter of Enforcement Action
7 Against

8 King County Republican
9 Central Committee,
Respondent.

PDC CASE NO. 07-054

STIPULATION AS TO FACTS,
VIOLATIONS AND PENALTY

10 COMES NOW the parties hereto, the Public Disclosure Commission Staff, through its
11 Executive Director, VICKI RIPPIE, and the Respondent, King County Republican Central
12 Committee (KCRCC), appearing through its Chairman, MICHAEL YOUNG, and submit this
13 Stipulation as to Facts, Violations and Penalty in this matter.

14 **I. JURISDICTION**

- 15 1. The Public Disclosure Commission has jurisdiction over this proceeding pursuant
16 to Chapter 42.17 RCW, the Public Disclosure Act; Chapter 34.05 RCW, the
17 Administrative Procedure Act; and Title 390 WAC.

18 **II. FACTS**

- 19 2. Respondent King County Republican Central Committee is a bona fide political party
20 organization and is the official Republican county central committee in King County. The
21 KCRCC is registered with, and reports its financial activities to, the Washington State
22 Public Disclosure Commission. The KCRCC maintains two accounts, a "Non-Exempt"
23 account and an "Exempt" account. Contributions to the Non-Exempt account are subject to
24 the contribution limits in RCW 42.17.640.
- 25 3. The Non-Exempt account may be used for all expenditures, including candidate
26 contributions. The Exempt account is exempt from the contribution limits in RCW

42.17.640, but its use is restricted to the expenditures allowed by RCW 42.17.640(15) as follows: (a) Expenditures for voter registration, absentee ballot information, precinct caucuses, get-out-the-vote campaigns, precinct judges or inspectors, sample ballots, or ballot counting, all without promotion of or political advertising for individual candidates; or (b) An expenditure by a political committee for its own internal organization or fundraising without direct association with individual candidates.

Non-Exempt Account

4. The following chart contains a summary of the late-filed C-4 reports for the KCRCC Non-Exempt account. During 2006, ten C-4 reports were filed from 5 to 268 days late and included \$84,068 in contributions received, \$11,482 in miscellaneous receipts from pass-through activity, expenditures totaling \$92,526, and pass-through expenditures of \$11,482. The 7-day pre-general C-4 report was filed five days late on November 5, 2006, two days before the general election. It included \$56,443 in contributions and \$66,074 in expenditures.

C-4 Period	Due Date	Date Filed	Days Late	Contributions	Expenditures
January	2/10/06	3/10/06	28	\$450	\$3,000
January – Amendment	2/10/06	11/5/06	268	\$5,100	\$1,013
February	3/10/06	5/10/06	61	\$11,000	\$32,564
February – Amendment	3/10/06	11/5/06	240	\$11,482	
March	4/10/06	5/10/06	30	\$4,247	\$357
April – Amendment	5/10/06	11/5/06	179	\$2,268	
May	6/12/06	6/29/06	17		\$1,000
May Amendment	6/12/06	11/5/06	146	\$486	
21-day Pre-Primary Amendment	8/29/06	11/5/06	68	\$4,074	
7-day Pre-General	10/31/06	11/05/06	5	\$56,443	\$66,074
Total			5 - 268	\$95,550	\$104,008

5. The following chart contains a summary of the late-filed C-3 reports for the KCRCC Non-Exempt account. During 2006, twenty (20) C-3 reports were filed between 15 and 268 days late. The reports included contributions of \$34,189 and miscellaneous receipts from pass-through activity totaling \$11,482. Eight C-3 reports totaling \$23,410 were filed from 104 to 268 days late on November 5, 2006, two days before the general election. The reports included contributions of \$11,928 and miscellaneous receipts from pass-through activity totaling \$11,482. The chart is sorted in descending order by "Days Late."

C3 Deposit Date	Deposit Amount	Report Due Date	Date Report Filed	Timely or Days Late
1/3/06	\$5,100	2/10/06	11/5/06	268
2/28/06	\$11,482	3/10/06	11/5/06	240
4/11/06	\$218	5/10/06	11/5/06	179
4/18/06	\$788	5/10/06	11/5/06	179
4/25/06	\$1,262	5/10/06	11/5/06	179
5/4/06	\$354	6/12/06	11/5/06	146
5/8/06	\$132	6/12/06	11/5/06	146
7/18/06	\$4,074	7/24/06	11/5/06	104
2/6/06	\$2,650	3/10/06	5/10/06	61
2/16/06	\$8,350	3/10/06	5/10/06	61
3/16/06	\$2,110	4/10/06	5/10/06	30
3/23/06	\$405	4/10/06	5/10/06	30
3/31/06	\$1,732	4/10/06	5/10/06	30
1/19/06	\$450	2/10/06	3/10/06	28
7/18/06	\$2,010	7/24/06	8/16/06	23
7/19/06	\$1,270	7/24/06	8/16/06	23
7/20/06	\$525	7/24/06	8/16/06	23
7/21/06	\$560	7/24/06	8/16/06	23
8/2/06	\$1,777	8/7/06	8/22/06	15
8/3/06	\$422	8/7/06	8/22/06	15
TOTAL	\$45,671			

Employer and Occupation Information

6. For donors to the Non-Exempt account, in addition to the name and address of each person who made one or more contributions in the aggregate amount of more than \$100, the KCRCC failed to disclose the occupation and the name and address of the person's employer. The employer and occupation data was not reported for 58 of 64 individuals

(91%) for whom the information was required. The 58 donors contributed a total of \$55,715.

Exempt Account

7. The following chart contains a summary of the late-filed C-4 reports for the KCRCC Exempt account. During 2006, eleven (11) C-4 reports were filed between 6 and 306 days late and included \$73,544 in late reported contributions and \$77,017 in late-reported expenditures. The KCRCC spent \$191,912 from its Exempt account during 2006, which included \$113,546 (59%) on general overhead expenses and \$78,366 (41%) on party-building and get-out-the-vote activities. On September 18, 2006, one day before the primary election, the KCRCC amended its June 2006 C-4 report and included an additional \$26,500 in contributions and \$24,800 in expenditures.

C-4 Period	Due Date	Date Filed	Days Late	Contributions	Expenditures
January	2/10/06	3/10/06	28	\$19,552	\$14,063
February - Amendment	3/10/06	1/10/07	306		\$4,046
March	4/10/06	5/9/06	29	\$17,990	\$16,394
March - Amendment	4/10/06	1/10/07	275	\$35	
April - Amendment	5/10/06	1/10/07	245	-\$8,196	\$1,392
May	6/12/06	7/5/06	23	\$3,117	\$15,784
May - Amendment	6/12/06	1/10/07	212	-\$464	
June - 1 st Amendment	7/10/06	9/18/06	70	\$26,500	\$24,800
June - 2 nd Amendment	7/10/06	1/10/07	184	-\$500	\$538
7-day Pre-Primary - Amendment	9/12/06	9/18/06	6	\$10,010	
7-day Pre-General Amendment	10/31/06	12/11/06	41	\$5,500	
Total			6 - 306	\$73,544	\$77,017

8. The following chart contains a summary of the late-filed C-3 reports for the KCRCC Exempt account. During 2006, fifteen (15) C-3 reports were filed between 15 and 275 days late and totaled \$76,694 in late-reported contributions. Two C-3 reports totaling \$26,500 were filed 70 days late on September 18, 2006, one day before the primary election. The chart is sorted in descending order by "Days Late."

C3 Deposit Date	Deposit Amount	Report Due Date	Date Report Filed	Timely or Days Late
3/2/06	\$35	4/10/06	1/10/07	275
6/13/06	\$16,500	7/10/06	9/18/06	70
6/28/06	\$10,000	7/10/06	9/18/06	70
10/24/06	\$5,500	10/30/06	12/11/06	42
3/6/06	\$465	4/10/06	5/9/06	29
3/16/06	\$12,500	4/10/06	5/9/06	29
3/22/06	\$5,025	4/10/06	5/9/06	29
1/4/06	\$3,000	2/10/06	3/10/06	28
1/12/06	\$5,740	2/10/06	3/10/06	28
1/19/06	\$8,747	2/10/06	3/10/06	28
1/30/06	\$2,065	2/10/06	3/10/06	28
5/4/06	\$1,778	6/10/06	6/29/06	19
5/16/06	\$1,262	6/10/06	6/29/06	19
5/30/06	\$77	6/10/06	6/29/06	19
8/1/06	\$4,000	8/7/06	8/22/06	15
TOTAL	\$76,694			

Employer and Occupation Information

9. For donors to the Exempt account, in addition to the name and address of each person who made one or more contributions in the aggregate amount of more than \$100, the KCRCC failed to disclose the occupation and the name and address of the person's employer. The employer and occupation data was not reported for 56 of 63 individuals (89%) who whom the information was required. The 56 donors contributed a total of \$37,029.
10. The KCRCC recognized the need to amend several reports prior to the date the original complaint was filed against it. It replaced its treasurer, reviewed the financial records, and

1 filed missing or amended reports on September 18, November 5, and December 11, 2006,
2 and on January 10, 2007.

3 **Unreported Contributions**
4

5 11. The KCRCC made a \$100 contribution to the 2005 Jane Hague campaign on December 12,
6 2005 and a \$1,350 contribution to the 2005 Norm Maleng campaign on January 9, 2006.
7 The KCRCC first reported making the contributions on March 19, 2007.

8 **Expenditures Lacking Proper Description on Schedule A to C-4 Reports**
9

10 **2006 Non-Exempt Account**

11 12. KCRCC reports filed in 2006 for its expenditures made in 2006 and totaling \$52,873.68 did
12 not properly identify the benefiting candidates or provide a proper description of the
13 expenditures on the Schedule A to C-4 report. The expenditures without proper description
14 on Schedule A were as follows:

- 15
- 16 a. The KCRCC spent \$2,700 in support of Bret Olson and listed expenditures of
17 \$2,100 and \$600 on Schedule A to C-4 as payments for “yard signs” and “candidate
18 support” but did not identify the benefiting candidate or provide a further
19 description of the “candidate support.”
- 20
- 21 b. The KCRCC spent \$9,110 in support of Donna Watts and listed expenditures of
22 \$1,760 and \$7,350 on Schedule A to C-4 as payments for “consultant fees” and
23 “candidate support” but did not identify the benefiting candidate or provide a
24 further description of the expenditures.
- 25
- 26 c. The KCRCC spent \$41,063.68 in support of Bret Olson and listed expenditures of
\$18,763.68 and \$22,300 on Schedule A to C-4 as payments for “independent

1 expenditure” and “candidate support” but did not identify the benefiting candidate
2 or provide a further description of the expenditures.

3 **2005 Non-Exempt Account**
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5 13. KCRCC reports filed in 2005 for its expenditures made in 2005 and totaling \$57,085.81 to
6 Minnick & Minnick and IQ Direct to support candidates did not properly identify the
7 benefiting candidates or provide a proper description of the expenditures on the Schedule A
8 to C-4 report. The expenditures without proper description were as follows:

9 **Minnick & Minnick**
10

- 11 a. In 2005, the KCRCC reported expenditures of \$31,576.71 made to Minnick &
12 Minnick for “Professional Services” and “General Operation & Overhead” for work
13 performed in 2005. The expenditure reports included \$13,682.39 for three
14 independent expenditures benefiting the 2005 David Irons campaign for King
15 County Executive and \$1,573.25 for one independent expenditure benefiting Steve
16 Wirrick, a candidate for Sammamish City Council.
- 17 b. Minnick & Minnick was also paid \$6,500 to provide consulting for city council
18 candidates in the cities of Issaquah and Sammamish, \$2,571.13 for the production
19 of a “candidate issues” card for Issaquah City Council candidates, and \$7,249.94
20 for Get-Out-The-Vote (GOTV) and slate cards.

21 **IQ Direct**
22

- 23 c. In 2005, the KCRCC reported expenditures of \$25,509.10 made to IQ Direct for
24 “General Operation & Overhead” for work performed in 2005. The expenditures
25 included \$18,130.87 for three independent expenditures benefiting David Irons for
26 King County Executive and \$702.04 for one independent expenditure benefiting

1 Steve Wirrick for Sammamish City Council. IQ Direct was also paid \$6,676.19 for
2 a GOTV slate card.

3 **Failure to File 24-hour C-6 Report of Independent Expenditures**
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5 14. The KCRCC failed to file a 24-hour C-6 report for its independent expenditure political
6 advertising benefiting Steve Wirrick, a candidate for Sammamish City Council, that was
7 presented to the public within 21 days of the 2006 election. The independent expenditure
8 totaled \$2,275.29.

9 15. The KCRCC fully cooperated during the investigation.
10

11 **III. VIOLATIONS**

12 The parties hereto stipulate to the following violations:

13 16. The King County Republican Central Committee committed multiple violations of RCW
14 42.17.080 and .090 during election year 2006 by failing to timely file C-3 reports of
15 contributions received and by failing to timely file C-4 summary reports of contributions
16 and expenditures for its Non-Exempt and Exempt accounts.

17 17. The KCRCC committed multiple violations of WAC 390-16-034 during election year
18 2006 by failing to disclose, in addition to the name and address of each person who made
19 one or more contributions in the aggregate amount of more than \$100, the occupation and
20 the name and address of the person's employer for its Non-Exempt and Exempt accounts.

21 18. The KCRCC committed multiple violations of RCW 42.17.090 during election years 2005
22 and 2006 by failing to properly identify the benefiting candidates or provide a proper
23 description of the expenditures on the Schedule A to C-4 report.

24 19. The KCRCC violated RCW 42.17.103 by failing to file a 24-hour C-6 report for
25 independent expenditure political advertising that was presented to the public within 21
26 days of the 2006 election.

IV. PENALTY

20. KCRCC and Staff agree that based upon the stipulated facts and multiple violations of RCW 42.17.080, 42.17.090 and WAC 390-16-034 above, and the violation of RCW 42.17.103, the Respondent agrees to accept an assessed total civil penalty of \$40,000. The parties also agree that \$17,500 of the assessed penalty will be suspended based on the following conditions:

- a. The Respondent commits no further violations of RCW 42.17 through the end of calendar year 2010.
- b. The Respondent agrees to pay the non-suspended portion of the penalty (\$22,500) within 120 days of the date of the Commission's final order in this matter.
- c. The Respondent agrees to establish an internal control process which includes a review by a second KCRCC officer of reports that are to be filed with the Public Disclosure Commission to insure that the reports are complete, accurate and filed in a timely fashion. Said review shall be signed in writing and be kept on file with the KCRCC.
- d. The Respondent agrees to ensure that any individual acting as treasurer for the KCRCC shall be properly trained to include Commission sponsored training on the proper completion and filing of reports.
- e. For calendar years 2007 through 2010, the Respondent agrees to conduct end-of-year reviews of the KCRCC books and operations and provide a report to the Commission following that review. Said review shall be conducted by an outside party who will then submit a written report to the Commission on or before March 31, 2008 and each March 31 thereafter for a period of four years, the last report to be filed by March 31, 2011. Any cost associated with this review shall be borne by the KCRCC. The report, on both the exempt and non-

1 exempt accounts, shall include a determination of whether all contributions
2 were timely and accurately reported on the C-3 reports and Schedule A forms
3 to C-4 reports and whether all expenditures were timely and accurately
4 reported on Schedule A forms to the C-4 reports.

5 f. The Respondent agrees to submit reports or amended reports properly
6 identifying all independent expenditures and proper expense categories as
7 identified above in the Facts section as either inaccurate or missing.

8 g. The Respondent agrees to comply in good faith with all future reporting
9 requirements in accordance with RCW 42.17.

10
11 Stipulated to and dated this 1st day of May, 2007.

12
13 Vicki Rippie
14 Vicki Rippie, Executive Director
15 Public Disclosure Commission

5/1/2007
Date Signed

16
17 Michael Young
18 Michael Young, Chairman
19 King County Republican Central Committee

5/1/2007
Date Signed